

APPENDIX A

29

Reserve	Policy	Estimated Level	Benefits	Opportunity Costs
<p>Housing Revenue Account</p>	<p>Local Government and Housing Act 1989 section 76 (3) forbids a year end deficit on the HRA</p> <ul style="list-style-type: none"> • Balance is determined by level of risk associated with the budget • Minimum 5% of gross spend <p>Current recommended minimum level of reserves is: £0.9m - minimum level</p>	<p>March 16 £3.4m</p> <p>March 17 £2.6m</p> <p>March 18 £1.9m</p> <p>March 19 £1m</p>	<ul style="list-style-type: none"> • Provides general contingency for unavoidable and unseen expenditure or fall in income • Stability for longer term planning and for meeting the decent homes standards • Interest on balances helps to reduce costs. 	<ul style="list-style-type: none"> • Could be used to fund HRA capital expenditure to help meet decent homes standard which would result in loss of interest. • Could be used to fund development opportunities within the HRA • Could be used to fund debt repayment. • Could be used to fund HRA expenditure which would result in loss of interest.

This page is intentionally left blank